## Message Text

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**ACTION ARA-10** 

INFO OCT-01 SS-14 ISO-00 NSC-10 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 L-02 PRS-01 PM-07 DODE-00 SPC-01 COA-02

EB-03 AID-10 DRC-01 EUR-10 /083 W

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R 132245Z SEP 73 FM AMEMBASSY MANAGUA TO SECSTATE WASHDC 2447 INFO AMEMBASSY GUATEMALA AMEMBASSY TEGUCIGALPA AMEMBASSY SAN JOSE AMEMBASSY SAN SALVADOR USCINCSO

S E C R E T SECTION 1 OF 2 MANAGUA 3750

LIMDIS

USCINCSO FOR POLAD

E. O. 11652: GDS

TAGS: PFOR, ETRD, NU

SUBJECT: CONVERSATION WITH GENERAL SOMOZA

- 1. DURING AN EXTENDED MEETING WITH GENERAL ANASTASIO SOMOZA ON SEPTEMBER 11, HE REVIEWED THE EVENTS COVERED DURING HIS RECENT TRIP TO CARACAS AND COSTA RICA, AND MADE CERTAIN OTHER COMMENTS WHICH MAY BE OF INTEREST.
- 2. GENERAL SOMOZA BEGAN BY DESCRIBING IN SOME DETAIL THE MEETING OF THE CHIEFS OF THE ARMIES OF THE AMERICAS AT CARACAS. HE INDICATED THAT HE FELT THAT THE LEAD AND THE DESIRE TO MAKE CERTAIN ALTERATIONS TO THE UNDERSTANDINGS SURROUNDING THE RIO TREATY WAS TAKEN BY THE PERUVIAN DELEGATE, WHO WAS JOINED FROM TIME TO TIME AND SUPPORTED BY THE REPRESENTATIVES OF ARGENTINA, ECUADOR, AND TO A SOMEWHAT LESSER DEGREE, COLOMBIA AND VENEZUELA. SOMOZA SAID THAT IT WAS APPARENT TO HIM THAT THIS GROUPING OF COUNTRIES SECRET

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DESIRED TO BROADEN THE SCOPE OF THE DISCUSSION FROM MILITARY

MATTERS TO INCLUDE ECONOMIC, SOCIAL AND POLITICAL SUBJECTS WHICH WERE BT GERMANE TO THE MEETING. SOMO A FELT, HOWEVER, THAT THIS HAD BEEN REASONABLY WELL SIDETRACKED.

- 3. SOMOZA SAID THAT IN PRIVATE DISCUSSION WITH THE GENERAL REPRESENTING ARGENTINA, HE HAD ASKED HIM HOW HE COULD SUPPORT A POSITION WHICH HE RECOGNIZED WAS COMPLETELY INCONSISTENT WITH HIS FORMER BELIEFS. THE ARGENTINIAN REPLIED SOMEWHAT SADLY -- SOMOZA FELT THAT HE WAS "REFLECTING THE POLICY OF HIS GOVERNMENT."
- 4. SOMOZA SAID THAT HE WAS COURTEOUSLY AND WELL RECEIVED DURING HIS VISIT DESPITE THE SOMEWHAT PUBLICIZED RESOLUTION OF THE ACTION DEMOCRATIC PARTY IN VENEZUELA AGAINST HIM AND THE RESOLUTION PASSED BY THE CITY COUNCIL OF CARACAS. SOMOZA INDICATED THAT PRESIDENT CALDERA HAD BEEN EXTREMELY WARM AND CORDIAL DURING THEIR 45 MINUTE DISCUSSION.
- 5. SOMOZA MET WITH PRESIDENT FIGUERES IN COSTA RICA ON SEPTEMBER 9. HE SAID THAT FIGUERES DISCUSSED WITH HIM THREE PRINCIPAL SUBJECTS
- 6. ONE INVOLVED THE DIFFICULTIES WHICH HAVE BEEN ENCOUNTERED BY NICARAGUAN AND COSTA RICAN FISHERMEN, ALLEGEDLY FISHING IN THE COSTAL WATERS OF EACH OTHER'S COUNTRY. SOMOZA SAID THAT HE TOLD FIGUERES THAT HE FELT THAT THE COSTA RICAN LAWS RELATIVE TO FISHING WERE TOTALLY INCONSISTENT WITH THE SPIRIT OF THE CENTRAL AMERICAN COMMUNITY, IN VIEW OF THE FACT THAT THEY PROVIDED FOR HEAVY PRISON PENALTIES AS COMPARED TO ILLEGAL FISHING IN NICARAGUAN WATERS, WHICH WERE CLASSIFIED AS A MISDEMEANOR AND SUBJECT TO RELATIVELY SMALL FINES. SOMOZA SAID THAT FIGUERES AGREED THAT COSTAN RICAN LAWS WERE ENTIRELY TOO SEVERE AND THAT HE WOULD TAKE STEPS TO AMEND THESE LAWS TO LESSEN THEIR SEVERITY. SOMOZA FELT THAT THIS WOULD LESSEN THE POSSIBILITY OF FURTHER SERIOUS MISUNDERSTANDINGS RELATIVE TO FISHING IN ADJACENT WATERS BY NATIONALS OF THE TWO COUNTRIES.
- 7. THE SECOND POINT WHICH FIGUERES WISHED TO DISCUSS WAS THE ESTABLISHMENT IN COSTA RICA OF A CEMENT PLANT. SOMOZA OWNS AND OPERATES A CEMENT PLANT IN NICARAGUA, BUT ITS CAPACITY IS INSUFFICIFCT TO SUPPLY THE NEEDS OF CEMENT FOR NICARAGUA AND OTHER COUNSECRET

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TRIES OF CENTRAL AMERICA. FIGUERES WISHED TO INTEREST SOMOZA IN A JOINT VENTURE IN WHICH SOMOZA WOULD INVEST CONSIDERABLE CAPITAL IN THE ESTABLISHMENT OF A CEMENT PLANT IN COSTA RICA WHERE ALL THE RAW INGREDIENTS ARE READILY AVAILABLE. FIGUERES INDICATED THAT HE HAD DISCUSSED THIS SUBJECT WITH GENERAL TORRIJOS OF PANAMA AND THAT TORRIJOS HAD EXPRESSED INTEREST IN THE POSSIBILITY OF JOINING IN SUCH A JOINT VENTURE. SOMOZA SAID HE TOLD FIGUERES THAT HE WOULD BE INTERESTED IN JOINING WITH HIM IN ESTABLISHING

## SUCH A CEMENT PLANT UNDER THE PROPER CIRCUMSTANCES.

8. THE THIRD SUBJECT THAT PRESIDENT FIGUERES RAISED WAS THE ESTABLISHMENT OF A CENTRAL AMERICAN NEWSPAPER IN WHICH SOMOZA WOULD FINANCIALLY PARTICIPATE AND WOULD HAVE A VOICE IN MANAGEMENT. SOMOZA SAID THAT FIGUERES INDICATED THAT GENERAL TORRIJOS HAD ALREADY PROMISED \$200,000 TOWARDS THE ESTABLISHMENT OF SUCH A VENTURE AND SOMOZA INDICATED THAT UNDER PROPER CIRCUMSTANCES HE WOULD BE WILLING TO ENTER INTO SUCH A RELATIONSHIP.

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R 132245Z SEP 73 FM AMEMBASSY MANAGUA TO SECSTATE WASHDC 2448 INFO AMEMBASSY GUATEMALA AMEMBASSY TEGUCIGALPA AMEMBASSY SAN JOSE AMEMBASSY SAN SALVADOR USCINCSO

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9. SOMOZA SAID THAT FIGUERES APPEARED TO HAVE AVAILABLE TO HIM CONSIDERABLE PERSONAL CAPITAL AND WAS EXTREMELY INTERESTED IN VARIOUS TYPES OF INVESTMENT. SOMOZA FURTHER SAID THAT FIGUERES PLANS TO ATTEMPT TO RETAIN THE PRESIDENCY OF HIS POLITICAL PARTY AFTER HE LEAVES THE PRESIDENCY. SOMOZA PRIVATELY INDICATED TO

ME THAT HE FELT THAT THIS MIGHT CAUSE

SOME FRICTION WITH ODUBER IF ODUBER IS ELECTED PRESIDENT SINCE THE LATTER IS EXTREMELY ANXIOUS TO DISASSOCIATE HIMSELF AS MUCH AS POSSIBLE FROM FIGUERES WITHOUT AT THE SAME TIME OFFENDING FIGUERES BECAUSE ODUBER IS DEEPLY CONCERNED WITH THE NEGATIVE REACTION WHICH HAS RESULTED TOWARD FIGUERES ON THE BASIS OF THE ESTABLISHMENT OF A SOVIET EMBASSY IN COSTA RICA AND FIGUERES RELATIONSHIP WITH VESCO.

10. GENERAL SOMOZA DISCUSSED AT SOME LENGTH THE APPARENT PURCHASE OF CUBAN SUGAR BY HONDURAN PRESIDENT LOPEZ. SOMOZA SAID HE SECRET

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WAS SOMEWHAT AT A LOSS TO UNDERSTAND THE ACTION OF LOPEZ AND THAT HE "DID NOT APPRECIATE WHAT LOPEZ HAD DONE AFTER HE HAD SPECIFICALLY INDICATED THE PROBLEMS WHICH SUCH ACTION WOULD CAUSE." SOMOZA INDICATED THAT HE PLANNED TO MEET WITH LOPEZ AS SOON AS POSSIBLE AND HAVE A FULL DISCUSSION WITH HIM IN WHICH HE WOULD TAKE THE OCCASION TO MAKE VERY CLEAR TO LOPEZ HIS ANNOIANCE OVER HIS ACTION. SOMOZA EMPHASIZED THAT HE HAD MADE ARRANGEMENTS TO OBTAIN A SUFFICIENT QUANTITY OF SUGAR AT A PRICE WHICH WOULD NOT HAVE CAUSED DIFFICULTIES FOR LOPEZ AND THAT THE ACTION OF LOPEN WAS THEREFORE BASICALLY INEXCUSABLE. SOMOZA SAID FURTHER THAT HE WANTED TO DETERMINE DURING A PRIVATE MEETING WITH LOPEZ THE ACCURACY OF HIS (SOMOZA'S) IMPRESSION THAT THERE WAS CONSIDERABLE "DRIFT AND CONFUSION" IN THE HONDURAN GOVERNMENT.

11. SOMOZA EXPRESSED HIMSELF AS PLEASED WITH THE PROGRESS WHICH IS BEING MADE IN THE REHABILITATION OF MANAGUA. HE FEELS THAT THE DENERAL POLITICAL SITUATION IN NIACARAGUA IS CALM AND STABLE, DESPITE WHAT HE CHARACTERIZED AS "CERTAIN UNREASONABLE PRESSURES" WHICH ARE BEING APPLIED BY A "VERY SMALL PART" OF THE PRIVATE SECTOR TO ATTEMPT TO FORCE THE GOVERNMENT INTO HASTY AND ILL-PREPARED SOLUTIONS BASED EXCLUSIVELY ON THEIR VESTED INTERESTS. SOMOZA SAID, HOWEVER, THAT HE FELT THAT DISCUSSION THAT HE HAD HAD WITH MEMBERS OF THE PRIVATE SECTOR HAD BROUGHT ABOUT A BETTER UNDERSTANDING OF THE COMPLICATIONS INVOLVED IN THE RECONSTRUCTION AND THAT THE NUMBER OF RECALCITRANT INDIVIDUALS WAS SHARPLY LESSENED. SHELTON

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